

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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E.O. 11652: N/A
TAGS: ELAB, PINS, PINT, SHUM, AR
SUBJECT: LINGERING LABOR DISPUTES, BUT MAJOR
TROUBLE IS OVER

REF: BUENOS AIRES 8309

1. TWELVE DAYS AFTER THE RAILROAD AND SUBWAY WORKERS STRIKES HAVE ENDED THERE STILL ARE A NUMBER OF SMALLER STRIKES AND WORK STOPPAGES IN BOTH THE PRIVATE AND PUBLIC SECTORS LINGERING ONE. HOWEVER, THESE DISPUTES ARE BASICALLY ISOLATED FROM EACH OTHER AND, WITH THE OVERALL TREND PROCEEDING IN THE DIRECTION OF THE WORKERS' SUSPENDING THEIR STRIKE ACTIONS IN RESPONSE TO NEW PAY OFFERS, THE POTENTIAL FOR PRODUCING A GENERALIZED LABOR CRISIS CONTINUES TO FADE FURTHER INTO THE BACKGROUND. SALARY INCREASES HAVE BEEN ORDERED FOR THE OFFICIAL BANKS AND OTHER STATE ENTERPRISES HAVE GRANTED PAY HIKE IN ACCORDANCE WITH THE NEW "FLEXIBILITY" GUIDELINES EFFECTIVE IN THE PUBLIC SECTOR, CONTRIBUTING FURTHER TO A CALMING OF THE LABOR SCENE. GOA SPOKESMEN HAVE ALSO ANNOUNCED "SIGNIFICANT" BUT "SELECTIVE" WAGE INCREASES FOR GOVERNMENT WORKERS NEXT JANUARY (ALONG WITH LIMITED OFFICIAL USE

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MORE LAYOFFS). SLOWDOWNS CONTINUE AT A PEUGEOT PLANT AND AUSTRAL AIRLINES AMONG OTHERS, BUT THE LARGE ALPARGATAS TEXTILE PLANT OUTSIDE OF BUENOS AIRES IS RETURNING TO NORMAL AS MANAGEMENT ENDED A LOCKOUT DECLARED ILLEGAL BY THE LABOR MINISTRY AND GRANTED A WAGE INCREASE TO ITS STRIKING WORK FORCE.

2. THE NAVY CONTINUES TO STIR UP TROUBLED WATERS BY CRITICIZING IN THE LATEST EDITION OF ITS OFFICIAL JOURNAL ("LA GACETA MARINERA") THE GOVERNMENT'S INSENSITIVITY TO THE DECLINE OF WORKERS' REAL WAGES AND THE GOA'S HESITATION TO TAKE MEASURES WHICH COULD HAVE HEADED OFF THE RECENT STRIKE WAVE. IMPLIED IN THIS MUCH COMMENTED UPON ARTICLE IS AN ATTACK AGAINST MARTINEZ DE HOZ' ECONOMIC POLICIES, BUT SOME OBSERVERS SHRUG THIS OFF AS A CHEAP SHOT AND THE START OF AN INCREASINGLY APPARENT POLITICAL CAMPAIGN BY ADMIRAL MASSERA AIMED AT PROMOTING HIS CANDIDACY FOR THE PRESIDENCY. A PRESIDENTIAL PALACE SOURCE TELLS US THAT MARTINEZ DE HOZ' POST IS NOT ENDANGERED AND, INDEED, PUBLIC CRITICISM APPEARS TO HAVE WANED MOMENTARILY -- IF ONLY BECAUSE OF THE EXTRAORDINARY ACTS OF PRESS CENSORSHIP. THE PRESIDENT'S OFFICE REPORTEDLY BLAMES SEVERAL OF MARTINEZ DE HOZ' CLOSEST AIDES FOR FAILING TO IMPLEMENT FAST ENOUGH PAY INCREASES ORDERED EARLIER BY THE ECONOMY MINISTER AND THE APPLICATION OF THE NEW 30,000 PESO MINIMUM WAGE TO THE PUBLIC SECTOR -- WHICH FAILURE IS SEEN IN OFFICIAL CIRCLES AS HAVING PRECIPITATED THE RECENT RAILWAY STRIKE.

3. THE LABOR MINISTER IS REPORTED TO HAVE SUBMITTED TO PRESIDENT VIDELA THE PRELIMINARY RESULTS OF A WAGE SURVEY WHICH SHOWS THAT AVERAGE WAGE LEVELS ARE CONSIDERABLY BELOW THE LEVEL PREVIOUSLY REPORTED BY ECONOMY MINISTRY TECHNICIANS. THERE ALSO HAS BEEN SOME LIMITED OFFICIAL USE

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COMMENTARY IN THE PRESS THAT THE STRIKES HAVE DEMONSTRATED THE NEED TO HAVE A VIABLE UNION LEADERSHIP WITH WHICH THE GOVERNMENT CAN DIALOGUE DURING PERIODS OF LABOR CONFLICT AND SOME SPECULATION HAS APPEARED THAT THIS MAY GIVE RENEWED IMPETUS TO GOVERNMENT CONSIDERATION OF THE TRADE UNION REFORM BILL. HOWEVER, SUCH SPECULATION IN THE PAST HAS PROVEN TO BE LITTLE MORE THAN A FLASH IN THE PAN.

4. WHAT IS INTERESTING IS THAT SOME LABOR LEADERS ARE BEGINNING TO SAY THAT THE REAL LABOR CRUNCH MAY COME AFTER MARCH OF NEXT YEAR WHEN THEY ANTICIPATE A NEW WAVE OF WAGE DEMANDS OF SHARPLY VARYING AMOUNTS OWING TO THE MARTINEZ DE HOZ POLICY OF WAGE FLEXIBILITY IN ACCORDANCE WITH THE PRODUCTIVITY OF EACH PLANT (AS OPPOSED TO THE HERETOFORE TRADITIONAL ARGENTINE SYSTEM OF NATIONAL INDUSTRY-WIDE COLLECTIVE AGREEMENTS) COMPLICATED FURTHER BY THE CONTINUED ABSENCE OF AN OFFICIALLY RECOGNIZED UNION STRUCTURE WITH WHICH THE GOVERNMENT CAN NEGOTIATE. THE SIGNIFICANCE OF THIS COMMENTARY -- IT SEEMS TO US -- IS NOT THE PREDICTION THAT MORE TROUBLE LIES AHEAD IN MARCH BUT RATHER THAT THE LIKELIHOOD OF A NEW MAJOR BLOW UP BEFORE THE END OF THE YEAR APPEARS TO LABOR LEADERS TO HAVE RECEDED SIGNIFICANTLY.

CASTRO

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